

Central Falls Detention Facility Corporation Meeting Minutes
Wednesday, February 15, 2012
Wyatt Detention Facility Training Building
935 High Street
Central Falls, RI 02863
6:00 P.M.
TDD/TTY 401-727-7450

A meeting of the Central Falls Detention Facility Corporation was held on the above date; in the Training Building at 6:00p.m.

- 1) Call to order / Roll Call – 6:10 p.m.
Members present: Director Romanowicz, Director St. Pierre, Director Tillinghast, and Chairman Hartford

Absent: Director Sallee Adamo

- 2) Public Comment
Former Mayor Thomas Lazieh was the initiator of this project. He stills lives in Central Falls and is concerned about the city and the Detention Facility. This endeavor was taken on by the city solely as a financial incentive for the future of the city. He stated his concern about the financial benefits being taken away or transferred to another entity. He would love to see the interest rates of the bonds reduced and see the Detention Facility Corporation continue to provide a steady stream of revenue and growth that it had begun to build in the past. He would also like to see the return of Immigration Nationalization Services in order to boost the revenue stream. He would like to see the Facility be a good neighbor and work closely with the police and fire departments and the City Administration. He does not want to see this facility put in a position where it becomes a problem not only for the facility but also for the City of Central Falls. He is concerned with rumors of the actions of the prior Board and would not like to see any more negative publicity for the City or the facility.

Chairman Hartford commented that his points were well taken and that the Board shares these goals.

- 3) Approval of minutes 1/17/12
Director Romanowicz made a comment about the statement that Ernest Almonte made under old business in the prior meeting. Director Romanowicz will add the standards to it and if the Director thinks it needs to be added then they can amend the minutes at the next meeting.

Motion made by St. Pierre to approve the minutes from 1/17/12; seconded by Director Romanowicz. All were in favor. Motion passed.

- 4) New Business –

A) Current Financial Report

Michael Fair, CEO, presented the current Cash Report to the Board. He gave a brief commentary of the numbers contained within the report. The General Revenue Fund account has \$1M. Part of the money is for the new 401K with ING. The monies have been held for the past four weeks during the switch over from Metlife.

There is a brand new account that was established without his knowledge, authorization or approval. Ms. Karen Casey, the Accounting Manager, confirmed with the Trustee (US Bank) that there is in fact an account set up for legal fees and expenses and \$40K will be transferred monthly into this account. By the end of the year, \$480K will be directed to this new account. Because of the efforts of Ms. Casey, we now have access to view this account along with other accounts. Michael Fair, CEO wants to look into seeing what can be done to prevent this going forward, and see if there is process to preserve the rights of the Board.

Director St. Pierre questioned the current balance in the Debt Service Account. Ms. Casey responded that the new Trustee (US Bank) uses a different method to calculate the transfer amount. She understands the process but doesn't necessarily agree with it. As the result of the partial transfer the Corporation was charged a \$1,000 late investment fee. Attorney Fracassa and Mr. Fair will look into it and get back to the Board.

B) Marketing 2012 Report

Michael Fair, CEO, presented the current Marketing 2012 Report to the Board. He gave a brief commentary regarding the population of the detainees. A new chart was made showing the population in the North East compared to the rest of the country. He stated that the admissions had gone up in the last six months but so had the releases. There were 140 people that came in the door in January, 2011 and 35 were released in the same month. In February we had 686 and lost 25 to releases but we still had 678 which were projected for this year. Mr. Fair and the Warden are going to meet with the US Marshal and the Commissioner of Corrections of Massachusetts to discuss the issue of the Federal prisoners that are being held in their state and the crisis of overcrowding that is taking place there. Director Romanowicz asked if there is an event that can identify a dip or an increase. Mr. Fair commented that there is no real way to identify these events.

C) Quarterly Report Q4 2011

Michael Fair, CEO, presented the Quarterly Report Q4 2011. The average daily number of detainees for October, November, and December was 618. The average for the year was 649. He also gave the percentages for the detainees that were from MA (44.9 %), CT (37.1%), and RI (17.4%). We have the lowest percentage for grievances. Major Coburn and Ms. Linda St. Pierre, Director of Accreditation, went to Phoenix to receive the accreditation certificate.

Financial auditors will be in the week of February 27, 2012. This audit should be completed by the end of May 2012. This is the last year for the auditor's contract. We will need to have new bids for next year.

D) DOJ rate increase

Chairman Hartford asked Mr. Fair if they should proceed with requesting an increase. Mr. Fair recommended that we do not go forward. He reasoned that if we had a fair financing arrangement then we would be operating at a profit. He stated that the current daily rate for the average northeast private facility is \$88.46 per day. We are paid \$101.76 per day.

In follow-up to Director Romanowicz's question at the last meeting, Mr. Fair stated that the US Senate Appropriation Sub Committee for Justice, Science and

Related Agencies approved \$6.6 million for the first year's funding for the new facility that was built last year in Berlin, NH. The total cost for construction of this facility was \$276M. They weren't able to secure the appropriations from the Federal Bureau of Prisons.

Attorney Lynch-Gadaleta recommended that they table the increase until they had more information. Chairman Hartford agreed.

A motion was made by Director St. Pierre to table the increase until more information was available; seconded by Director Tillinghast. All were in favor. Motion passed.

5) Old Business

A) Fink property tax bill.

Director Romanowicz will be checking with the city solicitor to see if there is an understanding with respect to what the legal status is for the tax bill exemption, if it's ongoing from the city and how it affects the Finks' liability. Before the Board takes any action they will wait to hear back from Director Romanowicz.

B) Extension of Almonte engagement for Report and Audit. (Recommendation of the Finance Committee.)

Attorney Lynch-Gadaleta recommended that the Board direct her to direct Almonte on what red flags need to be addressed as priority. Almonte has agreed to focus on specific stages first, with the first stage being the duty of the Trustee, second is the debt structure.

Chairman Hartford asked Mike Geezil if he had recommendations or comments regarding the engagement with Almonte. Mike stated that he had several specific recommendations that he would ask of Almonte. First, he should determine the monetary damage resulting from any wrong-doing. Second, seek legal representation to work on terminating the parties liable for the wrong-doing.

Chairman Hartford said he would like to forward the engagement report to the Receiver and Rosemary Gallogly for comment only. Ms. Gallogly raised her concerns at hiring Almonte at this point and how much it will cost and what it would achieve. The Board can take their comments into consideration when voting on it.

Attorney Lynch-Gadaleta cautioned Chairman Hartford that he has a fiduciary responsibility to move forward as quickly as possible. Chairman Hartford said that he would like to avoid any further criticism.

Director Romanowicz recommended that the Board table the vote until they meet in two-weeks to vote on it. Special Meeting will be held on February 29, 2012 @ 6:00PM.

Motion made by Director St. Pierre for special meeting; seconded by Director Tillinghast. All were in favor. Motion passed.

6) Reports of the CEO and/or Legal Counsel (as necessary); ADP update, ACA certificate, awaiting OFDT audit, Update on Controller and other matters.

The top candidate for the Controller position withdrew from the position and now the facility will need to start all over, looking for new candidates.

Michael Fair, CEO presented the proposal for a new kettle for the kitchen in the amount of \$16K. The original one cracked. Director St. Pierre asked to see the bid and asked if there was a lower bid. The bids ranged from \$16K to \$17K. Director St. Pierre asked if there is a way to have the equipment and the maintenance of the equipment included in the food service contract. That will be something to look into.

- 7) Executive Session pursuant to R.I. General Laws § 42-46-5 for the following purposes:
 - A. RIGL § 42-46-5(a)(2) and RIGL §42-46-5(a)(4) for the purpose of reviewing issues regarding FOP representation of supervisory staff and litigation concerning the Wayne Salisbury matter; Ng: Cornell; Property tax bill
 - B. RIGL § 42-46-5(a)(3) for the purpose of receiving an operational report from the CEO
- 8) Next meeting: Tuesday, March 13, 2012 @ 6:00pm @ Wyatt Training Building
- 9) Adjournment